

ECONOMIC PRESS DIGEST

STAT

A weekly review of editorial comment and news reports on the Joint Export-Import Agency (JEIA); the Bipartite Control Office (BICO); foreign trade in the Trizone; the European Recovery Program (ERP - ECA) and GARIOA (US/UK aid to German recovery.)

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SUMMARY

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Inter-European trade relations and the pro's and con's of European federation received wide comment last week, as did the demerits of the new import procedure. The chief objections in the latter case were to the restrictive effect on the smaller traders of the 50% deposit and the short time allowed between the public announcement and the date for submitting offers.

Trade agreements and negotiations were subjected to criticism and it was generally declared that still more participation of German merchants in the negotiations was advisable. JEIA's desire to permit trade only in such commodities as were considered advantageous to Bizonia's economy was seen as a deterrent to trade by one paper.

"The Times" discusses the problems of export rivalry between Gt. Britain and Western Germany.

GERMAN PRESS AND RADIO

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(Articles of particular interest are sidelined)

Period covered: 20 - 26 March, 1949.

Foreign Trade.

"Wirtschaftszeitung," Stuttgart, (1) has an article dealing with the importance of economic relations between France and Germany in the future of these two countries and the whole of Europe. A breakdown of trade figures showed that in pre-war times Germany's exports to France were considerably larger than her imports from that country. Although, in some branches of industry, there was a certain competition, this did not exclude the possibility of mutual understanding.

: France with her demand for security
: saw a satisfactory solution of the
: German problem in the framework of a
: European federation and was for that
: reason the pushing element in matters
: of a European customs union. Three
: attempts at economic union were
: visible in Europe: the Benelux-, the

: Scandinavian and the French-Italian
: agreements. The latter involved more
: risks and difficulties, because for-
: eign trade between these two coun-
: tries was not of great significance
: and, moreover, clashed in a number of
: branches. France was interested in
: expanding her trade with Germany,
: whereas Italy was considerably more
: dependent upon it, therefore Germany
: would be the natural partner of such
: union. Close economic unions between
: groups of nations had certain disad-
: vantages for the countries standing
: outside, and these would either be
: compelled to form similar groups or
: to join the existing ones. Both ways
: would pave the road for an eventual
: Pan-Europe union. An economic agree-
: ment would be of tremendous value as
: a primary step towards a European
: economic union; it would be a master-
: piece of political art; it would do
: away with the old-time source of
: hatred in Europe and would create the
: fundament of lasting peace.

The paper concludes by quoting Prof. Duverger writing in the Paris "Le monde"

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Germany and France must fully understand that the problem "alliance or hostility" was the basic question of their existence. Without a German-France alliance there could not be any future for Europe!

"Exportdienst," Dusseldorf, (3), quotes the Paris paper "Les Echos," saying that today, three months after the Franco-German trade agreements had come into force, there was no competent agency which could give precise information to French exporters about the import procedure in Baden-Baden or Frankfurt. The maze of forms had discouraged those few firms which had ventured to try and it was even more aggravating that the French firms found negotiations with the Bizonal authorities easier than with those in the French Zone.

"Muenberger Nachrichten," (4), refers to the Geneva session of the UN Foreign Trade Committee, dealing inter alia with trade between West and East Europe, the importance of which had not attracted sufficient attention in the German Press. The paper goes on to explain the interdependence between the agricultural East and South East and the industrial West.

: Western Europe could never attain
: viability for its ever-increasing
: population after termination of the
: ERP aid without imports from the
: Eastern countries which would simul-
: taneously become valuable customers of
: the West. Differences between the
: political economy in the two spheres
: need not act as a deterrent; what
: seemed "impossible" in politics very
: often proved "very much possible" in
: economy. The open question was whether
: Germany could arrange for long-
: term credits, for instance, for de-
: liveries of tractors and other essen-
: tials for the agricultural recovery in
: those countries, or whether she was
: compelled to concentrate her exports
: on immediate dollar-earning commodities
: like machinery, etc. Under present
: conditions Germany was forced to adopt
: the latter procedure, and therefore
: other and richer countries would get
: the business. Germany would have to
: search for ways and means to enter
: East-West trade, because it was a ques-
: tion of existence to her. Geneva held
: out hopes in this direction which
: should neither be underestimated nor
: overestimated, but should be followed
: up.

"Westdeutsche Rundschau," Wuppertal, (5), calls West Germany's trade with the Benelux countries vitally essential. The

paper gives a mass of information in figures and commodities proving the importance of trade relations before 1914 and afterwards into the 30's, when they topped the pre-war volume considerably, only to recede as the sequel to Hitler-Germany's trade policy. When trade was resumed after World War II, the Benelux countries proved again their importance for Bizonia's foreign trade, next to the USA and Gt. Britain. Existing trade agreements and supplementary agreements should be promoted further, so as to revive and to intensify traditional relations.

In another article (6) on the same subject, the paper deals with West German-Belgian export requirements for textile raw materials, semi-finished and finished goods as well as textile machines.

"Tagesspiegel," (7), deals with German-Scandinavian trade, which, before the war, showed a substantial balance in Germany's favor. After the war the three countries, notably Sweden, had been regular customers at Bizonia's export fairs. There was no need for any propagandistic efforts; trade could easily be expanded by multi-lateral agreements.

"Frankenpost," Hof, (8), publishes a summary of a report issued by the Polish Consulate in Munich, which the paper calls "laid on" for propaganda purposes. The report says that Poland's economic structure had changed from that of an agrarian to an industrial country. Although Poland was politically strongly attached to the Soviet Union, the country kept its independence in foreign trade. Whereas up to 1947 trade with the USSR pre-dominated with over 90% both sides, the Soviet share had dropped to 30% for imports and less than 20% for exports during the first 6 months of 1948 owing to trade agreements signed with 22 countries. The agreement with West Germany was welcomed, and Poland could be a good customer for all technical and similar articles required for her industrial recovery program.

"Exportdienst," (10), carries an article from its Lisbon correspondent saying that although Portugal had developed and protected by customs tariff - a great industry of her own, there were many goods which offered good chances for exports from Germany, the most important of which were: cotton prints, glass beads, cheap ornaments, and hardware for the colonies, also machinery, optical and surgical instruments. Shipments to the colonies made via Lisbon enjoyed a 20% reduction of customs duty.

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"Mannheimer Morgen," (11), deals with the uneasiness felt by merchants in connection with the new import procedure. The 50% deposit clause knocked the smaller firms out of the race. Bank commissions on credits opened in this connection were a dead loss when the offer submitted was not accepted.

New regulations should be made, so that a declaration from an Aussenhandelsbank to guarantee payment in case the offer was accepted should be sufficient, or else to reduce the deposit to 5-10%. Another objection was that the time between the announcement in the Public Gazette and the date for submitting offers, which, in many cases, had to be accompanied by samples, was too short to collect offers from abroad, and this was another handicap for the smaller firms. The stipulation that offers must be valid for five days was unbearable in the case of commodities which fluctuated almost daily in world markets. The risk was too great for the importer because he could not cover it on the exchanges as in pre-war times. On the other hand the importer had no chance of recouping losses when market conditions gave him the possibility of making an extra profit, because his profits were confined to the official rates. Lastly, the import firms were dissatisfied because they had no guarantee that they could dispose of their imported goods, but had to submit them to German official agencies so that it could happen that they had to hand them over to their own competitors. It seemed advisable to contact the experienced import trade when new regulations were being contemplated, as this would save hastily enacted amendments.

"Wirtschaftszeitung," (16), writes on the same subject. The result of the first list of "individual import" commodities was that for 37% of the items offers slightly exceeded the authorized amounts, except in one case of chemicals where one item was over-subscribed ten times; 49% of the items were not fully utilized, whereas for 14% no offers at all were submitted. The paper adds as a further complaint that for ERP shipments the importer had to make full payment as soon as the foreign supplier has been reimbursed at the time of shipment, and thus had to finance the transaction weeks before the goods arrived.

Fifteen papers carry particulars for

brief reports of the import procedure without comment.

"Exportdienst," (27), and "Allgemeine Zeitung," Mainz, (28), refer to a letter addressed by Prof. Erhard of the VWV to Mr. Wm. J. Logan, drawing attention to the serious consequences of the restrictions in connection with JEIA Instruction No. 1 with respect to South American and Far Eastern countries. JEIA's intention not to discuss export licenses with the German official agencies had come as a great surprise. Since the distribution of imports was an exclusively German affair, it was bound to lead to difficulties if in the matter of export licenses no consideration was given to Germany's planning. The greatest misgivings the German merchants felt was that the procedure tended again towards disclosing the names of foreign customers.

In (29), the same paper reports that export sight drafts were now generally permitted, whereas long-term drafts were still subject to JEIA approval. However, since sight drafts had to bear a Bill Stamp, entailing an appreciable extra expense, the term "cash against documents" would be preferable.

"Neue Zeitung," Munich, (30), gives a breakdown of figures and commodities of Bizonia's foreign trade with the USA.

"Darmstadter Echo," (31), gives an illustration in diagram form of the volume of Bizonia's overseas export trade, showing how business with formerly large customer countries had dwindled, whereas it had increased with some others, like West Africa.

"Exportdienst," (32), points to the good progress of trade between Bizonia and Holland, which had trebled in 1948 as compared with the previous year. A further considerable increase was expected for 1949, although the volume was as yet far below pre-war times when Germany had been Holland's foremost supplier and her best customer next to Gt. Britain.

"Wirtschaftszeitung," (33), and "Hamburger Allgemeine Zeitung," (34), carry brief reports on rising trade figures of Bremen and Hamburg.

Trade Agreements.

"Exportdienst," (35-36), stressed the importance of participation of experienced West German merchants in all trade negotiations. As nearly all agreements were

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rather short-termed, they would soon come up for revision and amendments. The trade should continuously submit its wishes and observations to the respective economic associations and should strive to be called in for discussions before negotiations started. Cooperation of this kind could go far towards increasing Bizonia's foreign trade for the next twelve months.

"Wirtschaftszeitung," (38), says that especially in abnormal times like the present, the formulation of trade agreements required tact and discretion, which seemed to be missing. Both partners must be prepared to yield as much as they could afford of their own wishes and to agree on a maximum of concurrent interests. One had often heard foreign delegations complain about JEBIA's unyielding attitude to agree to only such commodities as it considered essential for Bizonia, and that it frequently happened that negotiations were broken off or that the volume of business on the laboriously prepared lists was not attained. West Germany could never be enfolded in a European Union and find its way into the free atmosphere of world trade unless it was ready to sacrifice some of its own wishes. The guidance of export and import could also be amended. Exports to many overseas countries which were - or should be - offering good prospects had been neglected. Why, for instance, should Cuba supply sugar worth DM.60 mill. and British Malaya rubber worth DM.60 million, but buy goods from Bizonia for only DM.531,000 and DM.4.3 million respectively? A more liberal treatment of the fateful dollar clause, or payments agreements in other currencies combined with the shifting of raw material imports from dollar countries to other areas, and a screwing up of exports of finished goods to dollar countries would be worth considering when trying to promote foreign trade.

"Leder und Schuh," Dusseldorf, (37), points to the shortcomings of existing trade agreements in respect to leather imports.

Trade negotiations with Gt. Britain are reported by six papers, basing on JEBIA Release No. 48.

"Allgemeine Zeitung," Mainz (44), and "Niesbadener Kurier," (45), refer to BICO Release No.77 about the agree-

ment with Spain for £3 million worth of citrus fruits.

"Wirtschafts- u. Finanz-Zeitung," Frankfurt, (WEZ), (61), reports that USA was contemplating the preparation of a trade agreement between Bizonia and Japan.

JEBIA Release No.45 on the extension of the French Agreement is referred to by three papers.

Other trade talks, negotiations or agreements with the following countries are briefly reported by 23 papers: Denmark, Switzerland, Austria, Greece, Spain, Italy, Yugoslavia, Iran, Colombia, Peru, Chile, Argentine, Mexico.

Exports.

"Allgemeine Zeitung," (71), reports that the Renschold tool industry was on the upward grade once more and hoped to regain its old world position based on quality and adaptability to customers requirements. However, supplies of high-class steel, power and skilled labor were still short. Prices had risen by 100% and even more because of higher raw material costs, increase of wages and insufficient output. The 30¢ rate made the export of some articles impossible.

"Westdeutsche Rundschau," Wuppertal, (72), writes the story of the local "Kuehler" Beer, which, after a pause of many years, had made its first appearance again in the export markets. Inquiries received from old customers all over the world justified hopes of a revival of business.

Export matters concerning textiles, rubble to Holland, porcelain, motor vehicles, are briefly reported by 6 papers.

"Badische Neueste Nachrichten," Karlsruhe, (80), and "Industrie-Kurier," Dusseldorf, (81), report February export figures from Land Wuertemberg-Baden.

Imports.

"Wirtschaftszeitung," (84), and "Textilwirtschaft," (86), dealing with textile imports from France, state that the first transaction for \$1 mill. worth of men's ready-made clothing had been driven through at such a rate that the whole quantity was distributed to only a few Bizonia textile firms. For the second transaction of \$1 million worth of woolen cloth for ladies' overcoats JEBIA had

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insisted on individual imports so much so that no individual form was allowed to handle more than 1% of the totals. The commodity list of the third transaction was a general surprise because it contained a too large proportion of luxury items like embroidery yarn, tulle and lace, socks and berets. France's wish to deliver as much as possible of finished goods was comprehensible, but the wishes of the Bizonal textile industry for more raw material and weaving yarns seemed equally reasonable, inasmuch as the finished goods from France were not cheaper than the German production. The existing shortage of underwear was due to the lack of yarns, and \$500,000 of these would have been far more beneficial to Germany's economy.

"Frankfurter Rundschau," (89), and "Frankfurter Neue Presse," (90), welcome the first import contracts for Kapok for the upholstery, lifebelt and similar industries.

Imports of cotton, binder-twine, oranges and tobacco are briefly reported by six papers.

Miscellaneous

"Frankfurter Neue Presse," (92) and "Wirtschaftszeitung," (93), report the arrival at Frankfurt airport of the first 13 American tourists from St. Louis (US), who, following JETIA propaganda for visiting Germany, had come to see their old relations again. The paper goes on to point to the importance of foreign tourist traffic to Bizonia's economy and to the activity of German agencies to promote this trade, with special reference to the Goethe Bicentenary. The paper makes also full reference to JETIA Release No. 51 about hotel service, etc.

"Wiesbadener Kurier," (94 & 96), also deals with tourist traffic and refers at length to JETIA Releases Nos. 3, 51 and 52. The paper hopes that the introduction of traveller cheques will have a marked effect on the black market for German notes. The issuing of ration cards to foreign visitors worth 3000 calories per day need not cause any apprehension because even the highest estimates of 250,000 tourists would not be much more than 0.5% of West Germany's total population; besides, 15-20% of the expected dollar earnings from these foreign visitors would amply suffice to buy in again these extra rations.

"Badische Zeitung," Freiburg, (98), "Wiesbadener Kurier," (95), write about

the brilliant motor car show in Genoa where 77 different models of foreign make are exhibited. The four German cars: Volkswagen, Opel, Mercedes-Benz and Borgward-Hansa, evoked great interest, not least on account of the British counter-propaganda.

"Allgemeine Zeitung," (97), reports that 250 West German and Berlin firms will exhibit their goods at the Milan Fair from 12 to 29 April.

"Vereiniger Wirtschaftsdienst," Frankfurt, (VWD) (101), reports the first contract for repairing German river craft in Belgian yards, which had, however, not been definitely sanctioned by JETIA.

"Hamburger Echo," (102), quotes DPD on the planned establishment of 25 official German economic representations in foreign countries, for which JETIA was going to release \$5-600,000 for the first year.

Military Government German Exhibition in New York

"Darmstadter Echo," (103), has an article on the great hopes attached to this exhibition under the headline: "Will a door be opened in New York?" The 500 German exhibitors had not shirked the high expenses involved in this venture. Even if many of them did not expect any great volume of business, the contact with the American market was worth the cost of them. Their hope was to show the American public some novelties and specialties which US mass production could not produce. The first shipments of exhibition goods had meanwhile left Bremen and the rest would follow by air. Propaganda in the USA had been very active and the great interest shown by American economic circles was much in evidence.

"Hamburger Hafen-Nachrichten," (104), writes that the Hamburg port authorities had also taken a booth at the New York exhibition, same as Bremen, to demonstrate the traditional relation between the two ports. The old slogan "Hamburg - the Gate to the World," had been altered to: "Ever Continuing Activity," because of the similarity of Bremen's "Key to the World," and a very artistic placard had been created for the occasion.

"Tagesspiegel," Berlin, (105), publishes the full text of Gen. Clay's declaration in connection with the

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Military Government German Exhibition as per OMGUS Release No. 19, whereas "Nordsee Zeitung," Bremen, (106), gives a summary of the same declaration.

"Allgemeine Zeitung," (107), reports that according to the association of the Chambers of Industry and Commerce in the Bizone not only the persons directly connected with the exhibition but also other persons wishing to visit the show could apply for transportation through the North-West German Exhibition Company.

"Frankenpost," Hof, (108), quotes DEFA from New York that objections had been raised against the exhibition of Rosenthal porcelain because the firm had been aryanized and had boasted in 1938 that the management now consisted of five Aryans, of whom three had been NSDAP members before 1933.

Three papers bring illustrations of goods to be displayed in New York: Two new models of "Lanz" Bulldogs, a miniature model of a Munich four-horse beer-wagon and a doll dressed in a Bavarian peasant dress.

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"New York Journal of Commerce," (3), writes that Bizonia had cancelled requests for ECA funds for financing \$12,750,000 worth of railroad equipment from Hungary and Czechoslovakia, this sum to be used for the purchase of livestock feeding stuffs from US. JEL was looking for other means of payment for the rolling stock, probably from counterpart funds.

Four American papers deal with the scrap situation.

"Morning Wall Street Journal," N.Y. (2), refers to the purchase for Germany of 1,000 tons of lard by JEL.

"New York Sun," (11), deals with German efforts to stimulate visitors during the year of the 200th anniversary of Goethe's birth.

"New York Times," (12), refers to an order of Gen. Clay, barring former employees of U.S. Military Government and former U.S. Army officers having served in Germany from doing business through JEL for a period of two years subsequent to the termination of their official service.

"Omaha Morning World-Herald," (14), reports on a new German device of a mirror, in which left is left and right

is right, and not the reverse as in ordinary mirrors, to be exhibited in the German exhibition in New York in April.

"New York Journal of Commerce," (15), reports Mr. George J. Santry, Government Coordinator for the Military Government German Exhibition in New York, releasing at a news conference statements from the three high Government officials, Messrs. Paul G. Hoffman of the EIC, Tracy S. Voorhees, Assistant Secretary of the Army and Willard Thorp, Asst. Secretary of the State Department, stressing government sponsorship of the exhibition and its aims in promoting Bizonia's export trade for the ultimate benefit of US taxpayers.

"The Times," London, (17), carries a long article on recent British-German trade discussions as a first attempt to examine the problem of export rivalry between the two countries. Germany planned to export in the following 12 months consistently more machinery, optical and precision instruments and fewer mining products. By 1952, equipment would constitute one-third of her total exports. The pattern of imports in both countries was similar: after food would represent almost half of both import totals and raw materials and semi-finished goods most of the remainder. As Germany persisted in her present reluctance to export timber, mutual trading would probably shrink. Britain anticipated an expansion in exports mainly with the sterling area, whereas Germany was depending more on expansion with her non-sterling neighbours and with S. America. Where they met on the same market, sales would go to the country making the first contacts and supplying articles adapted in price and quality to prospective customers. Germany was at a disadvantage here, because she had only recently obtained permission to send commercial agents abroad. The article then refers to Bizonia's long-term program and her ECA allotments.

The same paper (19) lists the drawing rights exercised by four ERP countries, including Bizonia's \$1,005,459.

"New Central-European Observer," London, (21) deals with German competition and in (22) reports on unemployment in the several Länder of Western Germany.

"City Observer," London (23), quotes Mr. Bevin, referring in a speech made at Woolwich to West Germany's extensive program of expanding power production. The same paper (24) deals with the export of Volkswagen and the Cologne and Frankfurt

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"Financial Times," London, (25-26), reports on the new post-war record in Bizonia's motor-car output, and on German tourist traffic.

"The Economist," London, (27), mentions briefly the trade talks with Germany.

"Manchester Guardian," (28), carries a report from Dusseldorf on West Germany's problems of raising funds for her capital investment program.

"Het Financieele Dagblad," Amsterdam, (31) quotes the German paper "Westdeutsche Rundschau," on talks about a merger of West Germany and the Benelux economic union. Other articles, (30, 33), deal briefly with Bizonia's investment program and report the employment of German technicians for Pakistan.

The following releases are mentioned in six U.S. papers:-

JELA Rel.No.14 : December export figures

BICO " 89 : Rebuilding of German Bridges.

BICO " 91 : Decentral of Tobacco Retailing.

OMGUS " 19 : Gen.Clay's declaration concerning the political screening of German visitors to the M.L.Gov. German Exhibition in New York

EUROPEAN RECOVERY PROGRAM

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"Wirtschaftskurier," Konstanz, (1), ventilates the question of dismantling forging presses in connection with the Marshall Plan. About 50% of the smaller presses up to a capacity of 6,000 tons had been removed already and now the two 15,000-tonners in Essen and Dortmund were programmed for dismantling. They were constructed in 1928 and 1929, long before re-armament began, principally for the need of processing heavy engine-sets for oil refineries, power and dehydration plants. The Marshall Plan program for raising the output of electric power could not be realized without these high-power presses and the import of the required parts from other countries including USA was impossible because they themselves needed everything they could produce in this line. Attempts to manufacture the parts on smaller presses had been a failure; a 6000-t. press could only turn out 50-ton blocks whereas the required engine-sets needed 150-ton blocks. Besides, only the big presses could guarantee flawless material. Dismantling the two presses in Ger-

many and re-erecting them elsewhere would mean a loss of time of 3-5 years, so that they could never be in action for any of the recovery programs. It seemed advisable therefore to leave the two presses where they were, inasmuch as the Ruhr Statute guaranteed that they would not be used otherwise than for peaceful European recovery.

"Allgemeine Zeitung," (2), has an article on tourist traffic in Land Baden. The first DM. 5 mill. out of ERP-funds had been received. All countries which had participated in the war were badly handicapped against those which had suffered no war damage. It was really an innovation that a country should invite its own people to visit other countries, as America was actually doing with her propaganda for touring Europe. During the M.L.Gov. German Exhibition in N.York great efforts would be made to popularize visits to Germany. A practical suggestion came from Norway for a cooperating movement for publishing lists with dates not only of big congresses and fairs, but also of other interesting meetings, lectures, festivals, sporting events, fashion shows, etc.

"Tagesspiegel," (3), refers to the Harriman Committee Report on the ERP, pointing to the necessity of N.Germany's economic recovery for the good of the whole European program. Germany's export must increase very extensively, which was not an easy thing to achieve because all other countries were also forced to extend their export programs. It was an absolute fact that the loss of Germany's production could not be made good by other countries for many years to come, and therefore a speedy normalization of Germany's trade with the rest of the world had to be demanded. The paper quotes Mr. Collisson's speech before the Frankfurt Chamber of Commerce, stressing the success of the first Marshall Plan year for the three Zones. US Congress was contemplating releasing another \$1,000 mill. for the second Marshall Plan year, of which \$519 mill. would go to the three zones, whereas the remainder would be used for food imports in which the West Sector of Berlin was also to participate. Germany must bear in mind that goods must be exported which one would like to use for domestic consumption. One could look forward to a further expansion of bilateral trade agreements as for instance discussed with Gt. Britain. The lifting of the embargo on foreign credits was desirable, although it was

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doubtful if international capital would show much interest in this measure as yet. West Germany should also be granted international protection for patent rights.

"Muenberger Nachrichten," (7), "Allgemeine Zeitung," Mainz, (6), "Tagesspiegel," Berlin, (9), summarize the O.E.E.C. interim report on the long-term programs.

"Badische Nachrichten," Freiburg, (17), "Allgemeine Zeitung," Mainz, (11), "Der Abend," Berlin (23), quote from the report by the US Administrator of Foreign Aid on the recovery of the ERP countries the remark that a fusion between the three West German Zones was essential for achieving the desired results.

"Wirtschaftszeitung," Stuttgart, (20), carries a breakdown of figures and commodities of ERP imports into the French Zone.

"Industrie Kurier," Dusseldorf, (27), "Wirtschafts- und Finanz-Zeitung," Frankfurt, (28), "Textilwirtschaft," Stuttgart, (29), "Exportdienst," Dusseldorf, (30), deal with ECA-financed cotton imports and the import procedure. After the initial technical problem had been settled between JELA and ECA, the big 200,000-bale ERP program had got into its stride, so that the serious bottleneck of last autumn had now been overcome. Stockpiles had accumulated for ten weeks' current demand.

Mr. John Bode, Chief of the JELA Bremen Cotton Section, is praised for using his personal connections in order to induce US cotton shippers to deliver nearly 100,000 bales in September and October, 1948, without security. When the cotton was eventually paid for, most of the shipments had already arrived in Bremen or were already in the course of processing.

"Allgemeine Zeitung," Mainz, (32), carries a summary of the long article by Prof. Roepke of Zuerich on the Marshall Plan, as reported in Press Digest No. 42 (Item ERP-16).

"Frankfurter Rundschau," (36), refers to the meetings of the Scientific Advisory Council of the German Administration of Economy (VFA), discussing the utilization of ERP funds for the purpose of capital investments in West

Germany. Counterpart funds and surpluses of Government institutions like the Post Office had to be balanced against the enormous financial demands of the Treasury in forming a circumspect investment policy. Since the investments planned under the long-term program exceeded West Germany's own financial resources, foreign credits would have to be obtained. All funds available for investments should be handled by some bank. Gradual adjustment of controlled prices to market conditions, regulations for drawing up balance sheets and acceleration of the law for the equalization of burdens were urgently required. The investment policy should be kept free of absolute control, although certain rights must be reserved to the Government. Full employment should not be the only aim of this policy. The rate of interest should not be a decisive factor, investments would sometimes have to be directed towards enterprises of primary importance, even if they had to work below costs.

Nine papers carry summarized reports on Mr. Collisson's declarations before the Chambers of Commerce in Hamburg and Frankfurt. (JCA Release No. 30).

The following releases are briefly referred to by eleven papers:-

ECA No. 31 : Allotments for the three Zones for the second ERP year.

OMGUS " 18 : Second quarterly report of the Military Government.

BICO " 88 : ERP deliveries in February.

JELA " 41 : December and total 1948 figures of ERP and ERIA deliveries.

"Tagesspiegel," Berlin, (37), "Frankfurter Rundschau," (38), "Ver-einigter Wirtschafts-Dienst," Frankfurt, (39), "Badische Neueste Nachrichten," Karlsruhe, (40), "Handelsblatt," Dusseldorf, (41), "Wirtschaftszeitung," Stuttgart, (42), comment and speculate on the effect of the 30 cents rate payable for all GARIO food and fodder imports on the domestic price level, which is best expressed in the Bremen report as recorded in Press Digest No. 42. (Item ERP-25).

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